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東北電氣發展股份有限公司

NORTHEAST ELECTRIC DEVELOPMENT CO., LTD.

NEE

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0042)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board of Directors (the “**Board**”) and the directors (the “**Directors**”) of the Northeast Electric Development Company Limited (the “**Company**”) hereby announce the unaudited interim results of the Company and its subsidiaries (the “**Group**”) as of 30 June 2021.

Chapter 1 IMPORTANT NOTICE

- 1.1 The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company hereby confirm that there are no false representations, misleading statements or material omissions contained in this report, and they, severally and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of this interim report.
- 1.2 The Company's Legal representative Zhu Jie, Chief Financial Officer Shang Duoxu and Chief Accounting Officer Jin Muhan hereby represent: guaranteeing the truthfulness, accurateness and integrity of the financial reports in the interim report.
- 1.3 This announcement has been considered and approved by the 25th meeting of the 9th Board convened on 30 August 2021. All Directors attended the Board meeting in person to consider and approve this report.
- 1.4 The Group prepared the Unaudited Results Announcement for the Six Months Ended 30 June 2021 in accordance with the PRC GAAP and IFRS. The audit committee of the Board has reviewed and confirmed the Company's interim results announcement for 2021. The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2021.
- 1.5 The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves.
- 1.6 The consolidated turnover is RMB28,446,300.
- 1.7 The profit attributable to equity holders of the Company is RMB-11,819,700.
- 1.8 Earnings per share attributable to equity holders of the Company are RMB-0.0135.
- 1.9 Unless otherwise stated, Renminbi is the only monetary unit in this announcement.
- 1.10 This announcement is made pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Paragraph 46 of Note 16 thereto.



1.11 Definitions

CSRC	China Securities Regulatory Commission
De facto controller of the Company	Hainan Liberation Commonweal Foundation
Beijing Haihongyuan	Beijing Haihongyuan Investment Management Co., Ltd., a substantial shareholder of the Company
NEE, the Company	Northeast Electric Development Company Limited
Fuxin Busbar	Fuxin Enclosed Busbar Co., Ltd., a subsidiary of the Company
Garden Lane Hotel	Hainan Garden Lane Flight Hotel Management Co., Ltd., a subsidiary of the Company
HNA Group	HNA Group Co., Ltd., a related party of the Company
Shenyang Intermediate People's Court	Shenyang Municipal Intermediate People's Court of Liaoning
Hainan First Intermediate People's Court	The First Intermediate People's Court of Hainan Province
Hainan Provincial Higher Court	The Hainan Provincial Higher Court
Tiexi SASAB	Tiexi District State-owned Assets Supervision and Administration Bureau of Shenyang
Shenyang HVS, Shenyang High Voltage Switchgear	Shenyang High Voltage Switchgear Co., Ltd.



Chapter 2 CORPORATE PROFILE

2.1 Basic information

Stock abbreviation of A shares	*ST Northeast Electric	A shares stock code 000585
Place of the listing of A Shares	Shenzhen Stock Exchange	
Stock abbreviation of H shares	Northeast Electric	H shares stock code 0042
Place of the listing of H shares	The Stock Exchange of Hong Kong Limited	
Legal Chinese name	東北電氣發展股份有限公司	
Chinese abbreviation	東北電氣	
Legal English name	Northeast Electric Development Company Limited	
English abbreviation	NEE	
Legal representative	Zhu Jie	

2.2 Contact person and contact information

	Secretary to the Board	Representative for securities affairs
Name	Ding Jishi	Zhu Xinguang, Ju Meng
Address	22nd Floor, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province	22nd Floor, HNA Plaza, No.7 Guoxing Road, Meilan District, Haikou City, Hainan Province
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2.3 Additional information

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Postal code	570203
Website	www.nee.com.cn
E-mail address	dbdqdshbgs@hnair.com



Chapter 3 PRINCIPAL FINANCIAL DATA AND INDICATORS

(I) Principal financial data and indicators prepared under the PRC GAAP

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease in the reporting period compared with the same period of last year
Operating incomes (RMB)	28,446,337.20	37,838,750.59	-24.82%
Net profits attributable to shareholders of the listed company (RMB)	-11,819,705.03	-11,818,431.23	N/A
Net profits attributable to shareholders of the listed company after extraordinary items (RMB)	-12,719,133.05	-13,119,309.96	N/A
Net cash flows arising from operating activities (RMB)	-8,835,387.64	61,702,699.13	N/A
Basic earnings per share (RMB/Share)	-0.0135	-0.0135	N/A
Diluted earnings per share (RMB/Share)	-0.0135	-0.0135	N/A
Weighted average return on net assets	N/A	N/A	N/A
Items	As at the end of the reporting period	As at the end of last year	Increase/decrease in the reporting period compared with the end of last year
Total assets (RMB)	143,979,973.17	157,525,808.79	-8.60%
Net assets attributable to shareholders of the listed company (RMB)	-198,674,376.15	-187,420,368.40	N/A

**Extraordinary items***Unit: RMB*

Item	Amount	Note
Government subsidy included in the current profits and losses (closely related to business of the enterprise, excluding the government subsidy enjoyed fully or quantitatively according to uniform standards of the country)	889,792.14	Compensation for the construction project of the new factory area of the policy-based demolition subsidiary
Other non-operating income and expense other than the above items	9,639.18	
Less: Effect of income tax	0.00	
Impact on minority interests (after tax)	3.30	
Total	899,428.02	

(II) Principal financial data and indicators prepared in accordance with the International Financial Reporting Standards (IFRS)**Condensed Consolidated Statement of Profit or Loss***Unit: RMB'000*

Items	Reporting period (January-June)	The same period of previous year
Turnover	28,446	37,839
Profit before tax	(11,853)	(11,594)
Taxation	-	(280)
Profit after tax	(11,853)	(11,874)
Minority Interests	(33)	(56)
Profits attributable to shareholders	(11,820)	(11,818)



Condensed Consolidated Statement of Financial Position

Unit: RMB'000

Items	At the end of this reporting period	At the end of previous year
Total assets	143,980	157,896
Total liabilities	340,497	343,125
Shareholders' equity	(196,517)	(185,229)

(III) Description of differences in figures under domestic and foreign accounting standards

There are no differences in net profits and net assets prepared under the PRC GAAP and IFRS.



Chapter 4 CHANGES IN SHARES AND SHAREHOLDER INFORMATION

4.1 Changes in shares

Unit: Share

Items	Before the change		Increase/decrease (+, -) arising from the change					After the change	
	Number	Percentage	Issue of new shares	Bonus issue	Conversion of capital reserve into shares	Others	Subtotal	Number	Percentage
I. Shares subject to trading moratorium	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic shares	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
Including: Domestic legal person shares	5,999,022	0.69%	0	0	0	0	0	5,999,022	0.69%
Domestic natural person shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
Including: Overseas legal person shares	0	0.00%	0	0	0	0	0	0	0.00%
Overseas natural person shares	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares not subject to trading moratorium	867,370,978	99.31%	0	0	0	0	0	867,370,978	99.31%
1. Renminbi ordinary shares	609,420,978	69.78%	0	0	0	0	0	609,420,978	69.78%
2. Foreign shares listed domestically	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign shares listed overseas	257,950,000	29.53%	0	0	0	0	0	257,950,000	29.53%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	873,370,000	100.00%	0	0	0	0	0	873,370,000	100.00%



4.2 Number of shareholders and shareholding

Unit: Share

Total number of ordinary shareholders at the end of the reporting period			48,805	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)			0	
Shareholdings of ordinary shareholders holding more than 5% of the total share capital or the top ten ordinary shareholders								
Name of shareholder	Nature of shareholder	Percentage	Number of ordinary shares as at the end of the reporting period	Increase/ decrease in the reporting period	Number of ordinary shares held subject to trading moratorium	Number of ordinary shares held not subject to trading moratorium	Shares pledged or frozen	
							Status of shares	Number
HKSCC Nominees Limited	Overseas legal person	29.44%	257,097,899	0	0	257,097,899		
Beijing Haihongyuan Investment Management Co., Ltd.	Domestic non-state-owned legal person	9.33%	81,494,850	0	0	81,494,850	Pledged	81,494,850
Zhao Rui	Domestic natural person	0.75%	6,519,010	323,200	0	6,519,010		
Jin Lei	Domestic natural person	0.72%	6,255,710	-24,300	0	6,255,710		
Huang Tao	Domestic natural person	0.58%	5,042,700	37,591	0	5,042,700		
Fu Lianjun	Domestic natural person	0.57%	4,974,489	0	0	4,974,489		
Miao Haonan	Domestic natural person	0.51%	4,428,812	0	0	4,428,812		
Zhang Ping	Domestic natural person	0.46%	4,059,671	956,000	0	4,059,671		
Xu Lirong	Domestic natural person	0.46%	4,045,800	20,800	0	4,045,800		
Li Hui	Domestic natural person	0.44%	3,869,563	3,869,563	0	3,869,563		
A strategic investor or ordinary legal person becoming a top ten ordinary shareholder after placing of new shares (if any)	Nil							
Explanation on the connected relationship or concerted action of the above shareholders	So far as the Company is aware, there is no connected relationship among the above shareholders or are parties acting in concert as required in the Measures for the Administration of the Takeover of Listed Companies.							



Shareholdings of the top ten holders of ordinary shares not subject to trading moratorium			
Name of shareholder	Number of ordinary shares held not subject to trading moratorium at the end of the reporting period	Type of shares	
		Class of shares	Number
HKSCC Nominees Limited	257,097,899	Overseas listed foreign shares	257,097,899
Beijing Haihongyuan Investment Management Co., Ltd.	81,494,850	RMB ordinary shares	81,494,850
Zhao Rui	6,519,010	RMB ordinary shares	6,519,010
Jin Lei	6,255,710	RMB ordinary shares	6,255,710
Huang Tao	5,042,700	RMB ordinary shares	5,042,700
Fu Lianjun	4,974,489	RMB ordinary shares	4,974,489
Miao Haonan	4,428,812	RMB ordinary shares	4,428,812
Zhang Ping	4,059,671	RMB ordinary shares	4,059,671
Xu Lirong	4,045,800	RMB ordinary shares	4,045,800
Li Hui	3,869,563	RMB ordinary shares	3,869,563
Explanation on the connected relationship or concerted action among the top ten holders of ordinary shares not subject to trading moratorium and that between them and the top ten ordinary shareholders	So far as the Company is aware, there is no connected relationship among the top ten holders of ordinary shares not subject to trading moratorium or between them and the top ten ordinary shareholders or are parties acting in concert as required in the Measures for the Administration of the Takeover of Listed Companies.		
Explanation on the top ten ordinary shareholders involved in securities margin trading business	Nil		



Notes:

1. Based on the information that is publicly available as at the latest practicable date prior to the publishing of this interim report and within the knowledge of the Directors, there was sufficient public float of the Company's shares.
2. Save as disclosed above, as at 30 June 2021, the Directors were not aware that any person (excluding Directors, Supervisors, or chief executives (if applicable) or senior management of the Company, the "Senior Management") had any interests or short positions in the shares or underlying shares (as the case may be) of the Company which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") in Chapter 571 of the Laws of Hong Kong, any interests which were required to be recorded in the register pursuant to Section 336 of the SFO, or was a substantial shareholder of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).
3. During the reporting period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.
4. There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company.
5. As of 30 June 2021, the Company did not issue any convertible securities, options, warrants or any other similar right.



Chapter 5 PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR

5.1 Changes in shareholdings of Directors, supervisors and senior management

There was no change in shareholdings during the reporting period.

5.2 Changes in Directors, supervisors and senior management

Name	Position	Type	Date	Reason
Li Ming	Independent Director	Resigned	22 Jan. 2021	personal health reasons
Liu Lu	Shareholder Representative Supervisor	Resigned	7 May 2021	Work adjustment
Li Zhengning	Independent Director	Elected	2 June 2021	Operational needs
Zhou Jinyang	Shareholder Representative Supervisor	Resigned	25 June 2021	Work adjustment
Zhu Jie	Chairman, Director	Resigned	23 July 2021	Work adjustment
Su Weiguo	General Manager	Elected	28 July 2021	Operational needs
Shang Duoxu	Chief Finance Officer	Elected	28 July 2021	Operational needs
Wang Kai	Deputy general manager, Chief Finance Officer	Resigned	28 July 2021	Work adjustment
Bao Zongbao	Director	Resigned	6 August 2021	Work adjustment
Shang Duoxu	Director	Elected	23 August 2021	Operational needs
Xing Zenghai	Shareholder Representative Supervisor	Elected	23 August 2021	Operational needs
Yang Qing	Shareholder Representative Supervisor	Elected	23 August 2021	Operational needs
Wu Rongyu	Employee Representative Supervisor	Elected	23 August 2021	Operational needs
Hu Tao	Employee Representative Supervisor	Resigned	23 August 2021	Work adjustment
Shang Duoxu	Chief Finance Officer	Elected	26 August 2021	Operational needs



5.3 Equity interest of Directors, supervisors and senior management

Save as disclosed above and to the knowledge of the Directors, senior management and supervisors of the Company, as at 30 June 2021, none of the Directors, senior management and supervisors had any interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO, Chapter 571 of the Laws of Hong Kong) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken to have by such Directors, senior management and supervisors under provisions of the SFO), or which were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the “Model Code for Securities Transactions by Directors of Listed Issuers” in Appendix X to the Listing Rules.



Chapter 6 SUMMARY OF BUSINESS

6.1 Overview

The Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high power electric energy. Enclosed busbar plays an important role in the power system. Besides, Hainan Garden Lane Flight Hotel Management Co., Ltd., a holding company of the Company, actively expanded its hotel catering and accommodation businesses during the reporting period. There was no material change in the principal business of the Company during the reporting period.

During the reporting period, the turnover calculated under the PRC GAAP and IFRS was RMB28,450,000, representing a decrease of 24.82% as compared to RMB37,840,000 for the corresponding period of the previous year; earnings attributable to shareholders after tax and minority interests amounted to RMB-11,819,700, with earnings per share of RMB-0.0135.

No dividend was paid during the period and the Directors do not recommend the payment of the interim dividend for the six months ended 30 June 2021.

6.2 Business review for the first half of 2021

Looking back at the first half of 2021, under the strong leadership of major shareholders and the board of directors, Northeast Electric and its subsidiaries have overcome various disadvantages, strictly implemented various epidemic prevention measures, systematically implemented the safety production responsibility system, and promoted the resumption of work and production in an orderly manner. Work to achieve stable operation of business operations, and major special tasks are gradually advanced.

During the reporting period, the company achieved operating income of RMB28,450,000, a decrease of 24.82% from the same period last year and a year-on-year decrease of RM9.39 million.



The main production and operation work during the reporting period is as follows:

1. Taking new product development as an opportunity to increase orders by RMB38.18 million affected by the epidemic, Fuxin Busbar, the subsidiary, faced greater difficulties in ordering, payment collection, and on-site installation. Sales staff are not afraid of difficulties, do their utmost to protect customer needs, overcome various difficulties, face the retrograde of the epidemic, and use new product development as an opportunity to expand the market, increase the order quantity, and seize new markets against the trend. As of the end of the reporting period, a contract of RMB46.21 million was signed, an increase of RMB38.18 million from RMB8.03 million in the same period last year, which will provide guarantee for the company's future continuous operation.

2. Pay attention to management, reduce costs, and make careful calculations to increase benefits

The company has held many meetings to reduce costs and increase efficiency. Faced with the skyrocketing prices of major raw materials, the company formulated cost-reduction measures, starting from design and procurement to control the source, formulating control measures for all consumption, and optimizing the design to reduce costs on a comparable basis. RMB850,000, through price comparison procurement, the purchase cost can be reduced by RMB480,000 under a comparable caliber. To ensure the realization of the annual production and operation goals through increasing revenue and reducing expenditure, focusing on management, reducing costs, and increasing benefits.

3. Establish various special debt collection working groups, increase the efforts of debt collection, accelerate the return of funds, and effectively guarantee the daily capital turnover needs.
4. Actively establish a typical craftsman spirit of excellence and continuous innovation

Mr. Yang Qing, deputy chief engineer of Fuxin Busbar, a subsidiary, won the May 1st Labor Medal in Liaoning Province in 2021. The company established a model worker studio to promote innovation and improve business skills. By applying for the establishment of district-level and municipal-level model worker studios, and hosting of municipal-level skill competitions, we will strengthen the leadership of model workers, stimulate the enthusiasm of all employees, and make every effort to promote the resumption of work and production, so as to inspire their work enthusiasm and enthusiasm.



6.3 Analysis of core competitiveness

Thanks to the long-term accumulation in many aspects such as product quality, brand culture, R&D capability, technology, management service and marketing over the years, the Company shows some advantages and industrial competitiveness, which can be seen in the close association between the development of the industry where the Company operates and macroeconomic policies of the State; a certain association between the market and macroeconomic development; advanced production equipment and strong manufacturing capabilities of power transmission and distribution products; accumulation of technological strength and high professional technological level; sound internal control system and standardized corporate governance; certain product development capabilities and investment and financing capabilities.

There were no material changes in the core competitiveness of the Company during the reporting period. By introducing talents, developing new products, and adapting to market demand adjustments and changes, the company has improved its competitiveness in some product markets and achieved breakthroughs in some businesses.

6.4 Risks faced by the Company and measures

1. Special event risk

The new crown epidemic is still spreading on a global scale, bringing great uncertainty to the world economy and domestic and foreign trade and investment. The downward pressure on the world economy has intensified and uncertainties have increased significantly.

The company will continue to strictly implement the epidemic prevention and control work, actively identify all aspects of the impact of the new crown epidemic, and formulate effective operation and management measures to minimize the risk of the epidemic.

2. Market risks arising from macro-economic environment

The industry in which the Company operates is closely connected with the demands of the power equipment industry. The prosperous level of the industry is also directly pegged with the national economy. Given its significant impact on the Company, we will keep focusing on the impact of the national macroeconomy and the global economy over the industry. At the same time, as the hotel management industry where the Company operates was notably influenced by the epidemic in the first half of 2021, it is estimated that the epidemic will continue to have a significant impact on the operations of the Company for some time to come. Hence, the Company will carry out relevant epidemic prevention and control in strict accordance with the requirements of the relevant government departments while trying to apply for government support policies.



3. Risk of market competition

Enclosed busbars produced and hotel-related businesses operated by the Company are its principal activities. Intensifying market competition creates an adverse impact on the average profit margin of the industry. The Company will continue to improve its technology, strengthen innovation ability, scale up production, and enhance the efficiency of operation and management, along with efforts to prevent the decrease in operating income, gross margin of products and services as well as profitability caused by the outbreak of the epidemic, thereby strengthening the sustainable operation capacity of the Company.

4. Risk of strategic transformation

To facilitate the sustainable development of the Company in the mid and long term, the Company is seeking strategic transformation by tapping into such a modern service industry as hotel. The Company may have the risk of strategic transformation slippage, and even failure, provided that the transformation is not carried out as early as possible for various reasons. The Company will actively promote the related work, while developing relevant businesses to realize strategic transformation gradually through various methods.

6.5 Prospects for the second half of the year

Centered on the annual business objectives and work tasks for 2021, the Company's management will adopt comprehensive measures to change the loss-making situation by enhancing the operation efficiency and core competitiveness. For details, please see "Prospect of Future Development" set out in the Annual Report 2020. By virtue of seizing opportunities and making full use of the capital market, the Company will fine tune its main business and operating strategy and actively increase the operating income and profits from relevant businesses in the upstream and downstream of hotel operation, in a bid to enhance the sustained profitability and comprehensive competitive strength of the listed company, promote its development and offer maximum protection to the interests of all shareholders, the minority shareholders in particular.



Chapter 7 DISCUSSION AND ANALYSIS OF BUSINESS CONDITION

Analysis of principal business prepared under the PRC GAAP

7.1 Overview

The Company has been primarily engaged in the R&D, design, production and sales businesses of products related to power transmission and transformation equipment in recent years. Our main products are enclosed busbars that are mainly applied to the power system field to enhance the transmission efficiency of power transmission lines and support the transmission of high power electric energy. Enclosed busbar plays an important role in the power system. Besides, Garden Lane Hotel, a holding subsidiary of the Company, actively expanded its hotel management, catering and accommodation businesses during the reporting period.

There was no material change in the principal business of the Company during the reporting period.



7.2 Analysis of changes in major financial information

Unit: RMB

Items	Amount for the reporting period	Amount for the same period of last year	Increase/decrease compared with the same period of last year	Reason for increase/decrease
Operating incomes	28,446,337.20	37,838,750.59	-24.82%	Busbar products are affected by the delivery date required by users, and the carryover income
Operating costs	19,329,133.16	26,403,071.53	-26.79%	Reduction in operating income and corresponding reduction in costs
Selling expenses	10,642,743.98	14,515,293.80	-26.68%	
Administrative expenses	9,650,603.99	9,990,199.47	-3.40%	
Financial expenses	524,743.03	-171,294.11	-406.34%	Due to no interest income from deposits of financial companies in the current period
Income tax expenses		280,256.09	-100.00%	Due to the loss of each company in the current period without the provision of income tax
Research and development expenses	728,861.03		100.00%	Subsidiary Fuxin Busbar R&D Expenditure
Net cash flow from operating activities	-8,835,387.64	61,702,699.13	-114.32%	Bank deposits of 55 million in the same period last year, none this year
Net cash flow from investing activities	4,000,000.00	-48,435,719.34	-108.26%	Resulted from the purchase of a minority stake in Chongqing HNA Hotel in the same period last year
Net cash flow from financing activities		-10,725,709.27	-100.00%	Due to the repayment of the principal and interest of short-term loans in the same period last year
Net increase of cash and cash equivalents	-4,826,830.38	2,575,299.44	-287.43%	Combined effect of all the above factors
Other income	889,792.14	668,955.66	33.01%	Subsidiary Fuxin Busbar deferred income amortization increased
Non-operating income	10,262.03	1,078,350.37	-99.05%	No income from termination compensation in this period
Non-operating expenses	622.85	2,017.55	-69.13%	Due to the decrease in late payment fees



7.3 Main business composition

7.3.1 Composition of operating income

Unit: RMB

Items	The reporting period		The same period of last year		Increase/decrease compared with the same period of last year
	Amount	Percentage of operating income	Amount	Percentage of operating income	
Total operating income	28,446,337.20	100%	37,838,750.59	100%	-24.82%
By industry					
Power transmission and transformation	18,430,388.22	64.79%	26,700,933.95	70.57%	-30.97%
Catering services	10,015,948.98	35.21%	11,137,816.64	29.43%	-10.07%
By product					
Enclosed busbars	18,430,388.22	64.79%	26,700,933.95	70.57%	-30.97%
Catering services	10,015,948.98	35.21%	11,137,816.64	29.43%	-10.07%
By region					
Northeast	3,153,078.54	11.08%	4,124,713.88	10.90%	-23.56%
North China	4,514,428.00	15.87%	15,238,202.66	40.27%	-70.37%
Central China	5,659,126.09	19.89%	6,343,311.76	16.76%	-10.79%
East China	2,703,330.06	9.50%	889,396.86	2.35%	203.95%
South China	172,156.99	0.61%	4,450,938.02	11.76%	-96.13%
Southwest	10,015,948.98	35.21%	6,792,187.41	17.95%	47.46%
Northwest	2,228,268.54	7.83%	-	0.00%	100.00%



7.3.2 Industry, product or region accounting for more than 10% of the operating income or profit of the Company

Unit: RMB

Items	Operating income	Operating cost	Gross margin	Increase/decrease in operating income compared with the same period of last year	Increase/decrease in operating cost compared with the same period of last year	Increase/decrease in gross margin compared with the same period of last year
By industry						
Power transmission and transformation	19,329,133.16	26,403,071.53	-26.79%	10,642,743.98	14,515,293.80	-26.68%
Catering services	10,015,948.98	2,985,964.40	70.19%	-10.07%	38.38%	-12.95%
By product						
Enclosed busbars	18,430,388.22	16,343,168.76	11.32%	-30.97%	-32.59%	23.04%
Catering services	10,015,948.98	2,985,964.40	70.19%	-10.07%	38.38%	-12.95%
By region						
Mainland China	28,446,337.20	19,329,133.16	32.05%	-24.82%	-26.79%	6.06%

Explanation on the increase/decrease of more than 30% compared with the same period of last year:

- (1) Due to the impact of the delivery date, the closed bus business has reduced carry-over income and correspondingly reduced operating costs.
- (2) Affected by the court's ruling to accept the reorganization of the hotel lessor and the entrusted party, the leasing contract and entrusted management contract signed in the previous period were passively terminated. This superimposed the impact of the epidemic on the benefits of the catering business, resulting in a reduction in operating income and a corresponding reduction in operating costs.

7.4 Significant changes in the composition of assets

Unit: RMB

Items	As at the end of the reporting period		As at the end of the same period of last year		Increase/decrease (%)	Explanation for significant change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Monetary fund	7,957,501.63	5.53%	12,912,725.07	8.20%	-2.67%	N/A
Account receivable	37,529,375.33	26.07%	32,293,932.13	20.50%	5.57%	N/A
Inventories	12,607,013.03	8.76%	16,710,311.95	10.61%	-1.85%	N/A
Fixed assets	43,221,747.71	30.02%	44,911,967.97	28.51%	1.51%	N/A
Right-of-use asset	11,773,883.20	8.18%	16,432,367.74	10.43%	-2.25%	N/A
Contract liabilities	4,895,854.19	3.40%	6,624,272.90	4.21%	-0.81%	N/A
Lease liability	11,876,867.44	8.25%	11,582,700.60	7.35%	0.90%	N/A

7.5 Assets and liabilities at fair value

An cumulative loss of RMB274,528,971.83 was recognised in previous years for underlying assets. As at the end of the reporting period, the fair value of such equity was RMB0.

7.6 Restricted assets as at the end of the reporting period

Unit: RMB

Item	Book value at the end of the year	Reasons for restriction
Monetary fund – other monetary funds	4,248,422.30	Performance guarantee
Total	4,248,422.30	



7.7 Disposal of major assets

During the reporting period, there is no disposal of major assets.

7.8 Analysis of major controlling company and invested company

Unit: RMB

Company name	Company type	Principal business	Registered capital	Total asset	Net asset	Operating income	Operating profit	Net profit
Northeast Electric Development (HK) Co., Ltd.	Subsidiary	Trading	USD20 million	67,323,209.20	53,128,868.52	0	-5,208.05	-5,208.05
Gaocai Technology Co., Ltd.	Subsidiary	Investment	USD1	79,412,629.53	4,585,663.24	0	-9,188.44	-9,188.44
Shenyang Kaiyi Electric Co., Ltd.	Subsidiary	Manufacturing of electrical equipment	RMB1 million	37,213,601.57	-56,131,225.42	0	-415,038.22	-405,615.25
Fuxin Enclosed Busbar Co., Ltd.	Subsidiary	Manufacturing of enclosed busbars	USD8.5 million	55,318,651.68	-20,163,639.06	18,430,388.22	-4,680,013.04	-4,680,013.04
Hainan Garden Lane Flight Hotel Management Co., Ltd.	Subsidiary	Public space business	RMB50 million	35,126,299.45	-124,761,342.68	10,015,948.98	-3,348,060.14	-3,347,730.40
Northeast Electric (Chengdu) Electric Engineering Design Co., Ltd.	Subsidiary	Electric power engineering	RMB10 million	13,265,414.29	6,879,677.21	0	-756.93	-756.93
HNA Tianjin Center Development Co., Ltd.	Invested company	Property leasing, hotel catering	RMB269,887,709	3,801,277,113.60	1,819,077,743.47	41,198,234.52	4,101,097.99	4,720,562.27
Chongqing HNA Hotel Investment Company Limited	Associate (limited liability company)	Property leasing	RMB50 million	313,927,852.44	173,201,460.16	4,150,225.14	3,103,606.20	3,103,606.20



Analysis of the financial status of the Company in accordance with Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Share capital

During the reporting period, there is no change in the share capital of the Company.

Reserve

Details of the annual changes in the reserves of the Company and the Group are set out in the financial statements and the statement of changes in shareholders' equity.

Distributable reserve

As at 30 June 2021, according to the relevant regulations, the Company's distributable reserve is RMB-2,006,878,787.06. Pursuant to the resolution approved at the Board meeting on 30 August 2021, the Board proposes not to distribute cash dividend, issue bonus share, or capitalize from capital reserves during the year.

Analysis of loans and borrowings

The Group's short-term borrowings were nil, primarily because the secured loans borrowed from the Bank of China by our subsidiary Fuxin Busbar were settled.

Working capital and financial resources

The net cash generated from the Group's operating activities for the half year ended 30 June 2021 was approximately RMB-8,835,000.00 (The first half of 2020: net cash generated from operating activities of approximately RMB61,703,000).

As at 30 June 2021, the Group had bank deposits and cash (including pledged bank balances) of approximately RMB7,958,000.00 (2020: RMB12,912,725.07) and had no bank loans (2020: bank loans of RMB0).

As of 30 June 2021, the Group had current liabilities of RMB219,523,000.00, non-current liabilities of RMB120,974,000.00, and shareholders' equity attributable to shareholders of the Company of RMB-198,674,000.00. Details of the capital structure of the Group are set out in the financial report of the Company's interim report.

The Company's funding needs have no obvious seasonal patterns.

Capital expenditure

The Group's funds can meet the capital requirements of the capital expenditure plan and daily operations.



Capital structure

The Company's sources of funds are mainly operating cash inflows and loans of substantial shareholders. As at 30 June 2021, the Group's short-term bank borrowings were nil, and the cash and cash equivalents were RMB3,709,000.00 (The first half of 2020: RMB77,103,000.00). Borrowings bear fixed interest rates, and no hedging instruments are hedged.

The Group's policy is to manage its capital to ensure that the Group's entities are able to continue to operate while maximizing returns to shareholders by optimizing the ratio of liabilities and equity. The overall strategy of the Group has remained unchanged from previous years.

Prospects for new business

Details of the prospects for new business are set out in "Prospects for the second half of the year" of "Discussion and Analysis of Business Condition".

Significant investments held and the performance of such investments

Details of significant investments held and the performance of these investments are set out in "Analysis of Major Controlling Company and Invested Company" of "Discussion and Analysis of Business Condition".

Significant investments and sales

Details of significant investments and sales are set out in "Disposal of major assets" of "Discussion and Analysis of Business Condition".

**Segmental information of results**

Details of segmental information of results are set out in the “Main Business Composition” of “Discussion and Analysis of Business Condition”.

Assets pledge

As of 30 June 2021, the Company had fixed assets and net land value of RMB nil for mortgages.

Plan for major investment or acquisition of capital assets in the future

As of the latest practicable date prior to the publication of this report, the Company has no relevant plans.

Gearing ratio

As of 30 June 2021, the Group's gearing ratio (calculated as total liabilities/total assets) was 236.49% (2020: 217%).

Risks of exchange rate fluctuation and any related hedges

The Group's assets and liabilities are denominated in Renminbi, so the risk of exchange rate changes has little impact on the Group. The Group has taken the following measures in reducing the risk of exchange rate fluctuations: (1) increase the export price of products to reduce the risk of exchange rate fluctuations; (2) agree with the other party in advance in case of large export contracts that the risks of exchange rate fluctuations shall be borne by both parties when the exchange rate fluctuation exceeds the limit of agreed scope; (3) strive to sign forward agreements with financial institutions to lock up exchange rates and avoid risks.

Contingent liabilities

As of 30 June 2021, the Company had no material contingent liabilities.



Chapter 8 Significant Events

8.1 Personnel changes

Please refer to “Chapter 5 Profiles of Directors, Supervisors and Senior Management”.

8.2 Staff of the Company and remuneration policy

As at 30 June 2021, the number of employees on the payroll of the Company was 147. The total salary of employees was RMB6,100,000 in the first half of 2021 (the number of employees of the Group was 150 and the total salary of employees was RMB19,257,000 in 2020).

The remuneration of the employees of the Company includes their salaries, bonuses and other fringe benefits. The Company has different rates of remuneration for different employees, which are determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

8.3 Corporate governance structure

At present, the actual corporate governance structure basically complies with the related requirements of securities regulators.

8.4 Profit distribution plan and its implementation

The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves.

8.5 Commitments performed during the reporting period and not yet performed as of the end of the reporting period by the de facto controller, shareholders, connected parties, acquirers of the Company and the Company

The Company did not have any commitments performed during the reporting period and not yet performed as of the end of the reporting period by the de facto controller, shareholders, connected parties, acquirers of the Company and the Company during the reporting period.



8.6 Explanation given by the Board on the relevant situation of the “Non-standard Audit Report” of the previous year

NEE has engaged Mazars Certified Public Accountants LLP as the auditor of the Company for the year of 2020. Mazars Certified Public Accountants LLP issued an unqualified audit report for the Company's financial report for 2020 with paragraphs regarding material uncertainties on the Company's ability to continue as a going concern.

(I) Matters relating to the audit opinion

NEE recorded accumulated net loss of RMB-1,995,343,315.68 and equity attributable to shareholders of the parent of RMB-187,420,368.40 at the end of 2020. As of 31 December 2020, NEE's current liabilities exceeded its current assets by RMB145,543,698.50. Meanwhile, the Company faced compensation of RMB94 million for resolved litigation cases. These matters indicate there are major uncertainties regarding the Company as a going concern, however, without any effect on the published audit opinions.

(II) Explanation given by the Board on the relevant situation of the “Non-standard Audit Report” of the previous year

The Board of the Company believes that the aforesaid audit opinions gave a true and fair view of the Company's actual financial position and disclosed the risks in the continuing operations of the Company. While evaluating whether the Group has sufficient financial resources to continue as a going concern, the Group has taken into account the future liquidity and its source of funds available. In order to enhance the Company's sustainable development capability and profitability, improve asset quality, promote its long-term and healthy development and strive to cancel the risk warning of delisting, the Company plans to take the following measures to improve its ability to continue as a going concern:

1. In early 2021, Beijing Haihongyuan, the parent of the Group, has issued a letter of commitment in respect to financial support and undertakes to unconditionally provide financial support for the Group, including providing funds, guarantees and otherwise to assist the Group in the replenishment of working capital, within two years from the issue date of the letter of commitment. Currently, Shenyang Kaiyi Electric Co., Ltd. (“Shenyang Kaiyi”), a wholly-owned subsidiary of the Company, has entered into a loan contract with Beijing Haihongyuan. In 2021, Beijing Haihongyuan will continue to lend a loan with a maximum balance of no more than RMB50 million to Shenyang Kaiyi to support the production and operations of the latter.
2. The Company will further optimise the governance structure of the listed company, facilitate the management team to change their mindset and vigorously blaze new trails in a pioneering spirit and raise income and reduce expenditure. Additionally, it will stimulate the vitality, enthusiasm and creativity of the management team, drive business transformation by expanding new markets and developing new customers, and enhance the product innovation capability.



3. Financing channels in the capital market will be fully utilised. Relevant subsidiaries of the Company feature a favorable credit profile in the bank and financing records and have the ability to raise capital. Besides, they had paid loans off in the reporting period. They can apply for bank credits and loans in accordance with their business expansion. The listed company can still fully utilise financing policies for the capital market to probe into possible financing methods, though whether the restructuring of the indirect controlling shareholder, HNA Group, and its related parties will be successful remains uncertain. It can attract strategic investors, optimise the equity structure, raise working capital to support business transformation and supplement routine operations, actively expand new business segments and reinforce the core competitiveness and sustainability of the Company.
4. Market demands in all aspects significantly recover from the same period of last year, along with the gradual disappearance of the global COVID-19 pandemic and thanks to the opportunities in the first year of the “14th Five year Plan”, favorable for the Company to fully recover and improve its main businesses. The business structure will be conscientiously adjusted in line with market changes and demands. The Company will accelerate its transformation to the modern service industry and optimise its overall layout. Furthermore, it will develop new customer bases, perfect and consolidate its sales system and build up the income scale of its main businesses.
5. To open up new development space, the Company will continue to regard its subsidiary, Hainan Garden Lane Flight Hotel Management Co., Ltd., as a platform to expand its business segments, further leverage strengths in market resources, talent advantage and outstanding brand value of the substantial shareholder in upstream and downstream hotel industries to actively conduct hotel business. New business will be earnestly developed, while consolidating the existing business scale. Thus, the business scope of the listed company will be expanded. The asset portfolio structure will be improved. New vitality will be injected into the continuing operation of the listed company.
6. The Company will proactively mobilise and tap into its own resources, intensify overall budget management and cost control, strictly control expenditure, reduce operating costs and maximise the profitability of main business.



7. The receivable of RMB9.04 million from the Haizhou House Expropriation Office of Fuxin is the land compensation for the South Plant of Fuxin Enclosed Busbar Co., Ltd., a subsidiary of the Company. The Company will endeavor to recover the full amount in 2021 to supplement the demand for working capital of the Group.
8. In strict accordance with the Standardised Operation of Listed Companies, the Company will keep upgrading its working standards and improving its internal control system, establish a sound operation organisation across the Group and strengthen internal control policies. Besides, it will develop robust risk control measures to mitigate operating risks and create a more feasible internal control system. It will eradicate the incidents that may damage the interests of the listed company and shareholders and strive to achieve its operating targets.

Through the above measures, the Company's management considers that it is reasonable to prepare the financial statements on a going concern basis. The Board has made a full and detailed assessment of the Group's ability to continue as a going concern, including reviewing the Group's working capital forecast for the next 12 months compiled by the management. It is believed that the Group can obtain sufficient sources of financing to ensure the need for working capital and capital expenditure. The Board recognised the compilation of these financial statements on a going concern basis by the management.

The Board will continue to pay attention to and supervise the management of the Company so that they take proactive and effective measures to improve the Company's ability to continue as a going concern and safeguard the legitimate rights and interests of the Company and investors.



8.7 Litigation

1. [Tiexi District State-owned Assets Supervision and Administration Bureau of Shenyang vs. the Company for the payment of allowance for staff](#)

The case has been transferred from Liaoning Shenyang Municipal Intermediate People's Court to the jurisdiction of the First Intermediate People's Court of Hainan Province (hereinafter referred to as "Hainan First Intermediate People's Court") on 11 February 2020 and has come to trial on 10 August 2020.

On 16 September 2020, the case was heard in the Hainan First Intermediate People's Court issued a civil written order ((2020) Qiong 96 Min Chu No.81). Hainan First Intermediate People's Court rejected the claim of the plaintiff which requested the defendant NEE to pay RMB28.53 million for arrears, interest and liquidated damages, because the statute of limitation expired and the defendant NEE raised a plead for the expiration of the statute of limitation. The plaintiff Tiexi SASAC subsequently filed an appeal application to the court during the appeal period. The Hainan Provincial Higher People's Court filed the case on 13 January 2021, and the second instance opened on 10 June 2021, and the Hainan Provincial Higher Court issued (2021) Qiong Min Zhong No. 36 Civil Judgment on 23 July 2021. The Hainan Provincial High Court judged as follows: (1) Uphold the second item of the Civil Judgment (2020) Qiong 96 Min Chu No. 81 of the First Intermediate People's Court of Hainan Province; (2) Change the first item of the Civil Judgment of Hainan Province First Intermediate People's Court (2020) Qiong 96 Min Chu No. 81 to " Within fifteen days from the day when this judgement comes into effect, the Defendant Shenyang High Voltage Switchgear Co., Ltd. shall pay the Plaintiff Shenyang Tiexi District State-owned Assets Supervision and Administration Bureau of RMB28.53 million as well as the interest (interest is based on RMB28.53 million, calculated from 1 July 2012 to 19 August 2019, calculated and paid at the same period of the People's Bank of China loan interest rate; from 20 August 2019 to the day of payment, the payment will be calculated at the quoted interest rate of the loan market announced by the National Interbank Funding Center during the same period)".

This judgment is final.

2. [The litigation brought by China Development Bank](#)

The Supreme People's Court issued an enforcement order ((2017) Zui Gao Fa Zhi Fu No.27) in August 2017 to reject the reconsideration request made by NEE and affirm the enforcement order of Beijing Higher People's Court (2015) Gao Zhi Yi Zi No.52. The enforcement order was final. The case was transferred to Hainan First Intermediate People's Court on 21 June 2019. The ruling of the case is being implemented.



3. The litigation on the application made by Fushun Electric Porcelain Manufacturing Co., Ltd. (the “Fushun Electric Porcelain”) for adjudicating NEE as a person subject to enforcement

The case has come to trial on Hainan First Intermediate People’s Court on 25 January 2021. On 2 February 2021, Hainan First Intermediate People’s Court issued a civil written order [(2019) Qiong 96 Min Chu No.381]. The Hainan First Intermediate People’s Court held that the application made by the plaintiff for adding Northeast Electric as a person subject to enforcement for the case of [(2015) Fu Zhong Zhi Zi No.00140] is unfounded and lacks legal evidence, and the court will not support it. The plaintiff Fushun Electric Porcelain subsequently filed an appeal application to the court during the appeal period. Currently, the case is still under trial. Please refer to the announcement dated 7 February 2021.

4. Shenyang Kaiyi Electric Co., Ltd. v. Shenyang High Voltage Switchgear Co., Ltd. (the “Shenyang HVS”) and the third party Northeast Electric Development Co., Ltd. for unjust enrichment dispute

According to the Supreme People’s Court (2017) Supreme Law Implementation Ruling No. 27, Northeast Electric’s payment of RMB170.46 million to Shenyang HVS was not recognized as an act of fulfilling the judgment, resulting in a loss of RMB170.46 million by Northeast Electric. Shenyang HVS obtained the RMB170.46 million is an improper gain and should be returned to Northeast Electric. Shenyang Kaiyi sued the Hainan Provincial No. 1 Intermediate People’s Court, requesting an order for the defendant to return RMB170.46 million to the plaintiff and to pay interest on the use of funds. On 20 May 2021, the Hainan Provincial No. 1 Intermediate People’s Court opened a case to accept the case. The case number is (2021) Qiong 96 Min Chu No. 627. The first instance will be heard on 23 August 2021. Since the plaintiff of this case, Shenyang Kaiyi, is a wholly-owned subsidiary of the company, the court’s judgment has no negative impact on the company’s current profit at the consolidation level. Please refer to the media platforms for information disclosure designated by the Company for the Litigation Announcement (Announcement No.: 2021-036) issued on 21 May 2021.

8.8 Integrity of the Company, its controlling shareholders and de facto controller

The de facto controller of the Company is Hainan Liberation Commonweal Foundation. Through verifying the information published on CREDITCHINA.GOV.CN, the National Enterprise Credit Information Publicity System, and <http://zxgk.court.gov.cn/>, Hainan Liberation Commonweal Foundation, the de facto controller of the Company, has not been included in the List of Enterprises with Abnormal Business Operation, the list (blacklist) of or dishonest enterprises in material non-compliance with the laws or the list of persons subject to enforcement due to dishonesty.

Hainan Liberation Commonweal Foundation, the de facto controller of the Company, has not carried out external financing activities and has no behavior of dishonesty or breach of contract on debts.



8.9 Material connected transactions

8.9.1 There are no material connected transactions in the Company during the reporting period.

8.9.2 Discloseable and connected transactions lease agreements

In order to enhance the going-concern ability and inject new vitality into the development of the hotel business, the Lease Agreements (where the Properties are leased for hotel business) entered into on 13 July 2021 by Hainan Garden Lane Flight Hotel Management Co., Ltd., a subsidiary of Northeast Electric, and Dalian Changjiang Plaza Co., Ltd.* (大連長江廣場有限公司), Changchun Mingmen Hotel Co., Ltd.* (長春名門飯店有限公司), and Jilin Province Tourism Group Co., Ltd.* (吉林省旅遊集團有限責任公司) was considered and passed at the 22nd meeting of the ninth Northeast Electric Board of Directors and the second Extraordinary General Meeting of 2020. This transaction is beneficial (i) to boosting the Group's turnover and profitability in terms of its catering and accommodation services; (ii) for the Group to continue to utilise the Leased Properties for its hotel catering and accommodation services operations and realise diversification of operations of the Group; and (iii) optimise the Group's income and asset structure.

8.9.3 Transactions with related financial company

During the reporting period, as HNA Group Finance Company entered into the substantive consolidation and reorganization process with HNA Group, the Group converted the financial company's deposits into other receivables in fiscal year 2020 and fully accrued credit impairment losses. The declaration of relevant creditor's rights was completed in the first half of 2021.

8.10 Controlling shareholders and their connected parties' use of capital of the listed company for non-operating purposes

Controlling shareholders and their connected parties did not use any capital of the listed company for non-operating purposes during the reporting period.

8.11 Significant contracts and their execution

During the reporting period, the Company did not enter into any material trust, contracting or lease arrangement.

8.12 Guarantees

As at the end of the reporting period, the actual balance of the external guarantee provided by the Company totaled RMB30 million, with Jinzhou Power Capacitors Co., Ltd. as the collateral.



8.13 Corporate governance

During the reporting period, the listed issuer strictly complied with the code provisions of Corporate Governance Code as set out in Appendix 14 and had no deviations from the code provisions, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Due to the resignation of Mr. Li Rui, the former general manager of the Company, Mr. Zhu Jie, the Chairman, is acting as the general manager now.

For more details on the implementation, please refer to the Corporate Governance Report disclosed in the Annual Report 2020. After the issuance of the annual report, the compliance and execution of the Code by the listed issuer remained unchanged.

8.14 Model Code for Securities Transactions by Directors

The Company takes the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under the Listing Rules of Hong Kong Stock Exchange as a code of conduct for Directors’ securities transactions; after accepting specific inquiries, all members of the Board of the Company confirmed that they had complied with the Model Code during their tenure as the Directors.

The Board has formulated guidelines on the trading of securities of listed companies by “directors and relevant employees”. The Office of the Board has given written notices in advance to insiders (including the Company’s Directors, supervisors, senior management, controlling shareholders, de facto controllers and their connected parties, as defined in the Listing Rules) stating that purchase and sales of shares of the Company shall comply with relevant regulations and forbidding the insiders to purchase or sell the shares with inside information: no transactions of the Company’s securities shall be carried out during the price-sensitive timeframe within 30 days, a lock-up period from 30 July 2021 to 30 August 2021, prior to the results announcement.

All Directors confirmed that: During the reporting period, they had adhered to the guidelines, and neither they nor their connected parties conducted securities transactions of the Company.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of independent non-executive Directors and at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. The Company has appointed three independent non-executive Directors including one with financial management expertise, of whom the biographical details are set out in the Annual Report 2020 of the Company.

The Company has been in place an audit committee under the Board in accordance with Rule 3.21 of the Listing Rules.



8.15 Others

Purchase, sale or redemption of shares

During the reporting period, the Company and its subsidiaries did not purchase, sell and redeem any shares of the Company.

Loans to an entity

At the end of the reporting period, neither the Company nor its subsidiaries have granted loans to any entity.

Pledge of shares by controlling shareholder

At the end of the reporting period, the controlling shareholder of the Company did not pledge all or part of its equities in the Company to guarantee the Company's debts or warranty.

Terms included in the loan agreements under which the controlling shareholder shall fulfil specific responsibilities

At the end of the reporting period, the Company and its subsidiaries did not encounter any situation where the controlling shareholder should fulfil specific responsibilities according to the terms included in the loan agreements.

Breach of loan agreements

At the end of the reporting period, the Company and its subsidiaries did not have any breach of loan agreements.

Provision of financial assistance and guarantee to affiliates

At the end of the reporting period, the Company and its subsidiaries did not provide any financial assistance and guarantee to affiliates.

**Share option scheme**

During the reporting period, the Company and its subsidiaries did not have any share option scheme.

Directors, supervisors and chief executive's interests in the shares, underlying shares and debentures of the Company

For details of Directors, supervisors and chief executives' interests in the shares, underlying shares and debentures of the Company, please see "Equity interest of Directors, supervisors and senior management" under "Profiles of Directors, Supervisors and Senior Management".

Audit of interim results

The unaudited results for the six months ended 30 June 2021 were prepared by the Group in accordance with the PRC GAAP and IFRS.

The audit committee under the Board of the Company has reviewed and confirmed the interim results announcement of the Company for 2021.

The audit committee has approved the financial accounting principles, standards and methods adopted by the Company for the unaudited interim accounts for the six months ended 30 June 2021.

8.16 Subsequent events

None



Chapter 9 FINANCIAL STATEMENTS (PREPARED UNDER THE IFRS)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Revenue	28,446	37,839
Cost of sales and services	(19,329)	(26,403)
Gross profit	9,117	11,436
Other revenue and other income	900	2,779
Selling expenses	(10,643)	(14,515)
Administrative and other operating expenses	(10,702)	(10,433)
Finance costs	(525)	(861)
Loss before taxation	(11,853)	(11,594)
Income tax expenses	-	(280)
Loss for the period	(11,853)	(11,874)

**Condensed Consolidated Statement of Comprehensive Income (Continued)**

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Other comprehensive income		
<i>Items that are reclassified or may be reclassified subsequently to profit or loss</i>		
Exchange difference on translation of foreign operations	281	111
Other comprehensive income for the period, net of tax	281	111
Total comprehensive loss for the period	(11,572)	(11,763)
Loss for the period attributable to:		
Equity holders of the Company	(11,820)	(11,818)
Non-controlling interests	(33)	(56)
Loss for the period	(11,853)	(11,874)
Total comprehensive loss for the period attributable to:		
Equity holders of the Company	(11,539)	(11,707)
Non-controlling interests	(33)	(56)
Total comprehensive loss for the period	(11,572)	(11,763)
Loss per share	RMB cents	RMB cents
Basic and diluted	(1.35)	(1.35)



Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		43,222	44,912
Investment properties		-	13,187
Right-of-use assets		11,774	3,246
Land use right		11,946	12,078
Intangible assets		-	-
Goodwill		-	-
Interest in an associate		-	-
Designated FVOCI		-	-
Deposits		-	-
		66,942	73,423
Current assets			
Inventories		12,607	16,710
Trade, bills and rental receivables		37,645	32,294
Prepayment, deposits and other receivables		17,975	22,556
Tax recoverable		854	-
Cash at a financial institution		-	-
Cash at banks and in hand		7,957	12,913
		77,038	84,473

**Condensed Consolidated Statement of Financial Position**

As at 30 June 2021

	Notes	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Current liabilities			
Trade payables		19,928	21,819
Contract liabilities		4,896	6,624
Other payables		177,159	181,951
Employment benefits payables		5,226	4,754
Tax payables		3,766	3,914
Interest-bearing borrowings		-	-
Lease liabilities		8,548	10,954
		219,523	230,016
Net current liabilities		(142,485)	(145,543)
Total assets less current liabilities		(75,543)	(72,120)



Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2021

		As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
	Notes		
Non-current liabilities			
Provisions		72,100	72,100
Government grants		36,997	29,426
Lease liabilities		11,877	11,583
		120,974	113,109
NET LIABILITIES		(196,517)	(185,229)
Capital and reserves			
Share capital		873,370	873,370
Reserves		(1,072,044)	(1,060,789)
Equity attributable to equity holders of the Company		(198,674)	(187,419)
Non-controlling interests		2,157	2,190
TOTAL DEFICITS		(196,517)	(185,229)



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Equity attributable to equity holders of the Company									
	Reserves							Sub-total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Surplus reserve	Investment revaluation reserve (non-recycling)	Exchange reserve	Accumulated losses	Total reserves			
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
As at 1 January 2021	873,370	1,083,997	108,587	(231,194)	(26,836)	(1,995,343)	(1,060,789)	(187,419)	2,190	(185,229)
Loss for the period	-	-	-	-	-	(11,820)	(11,820)	(11,820)	(33)	(11,853)
Other comprehensive income										
Exchange differences on translation of foreign operations	-	-	-	-	281	-	281	281	-	281
Total other comprehensive income for the period	-	-	-	-	281	-	281	281	-	281
Total comprehensive loss for the period	-	-	-	-	281	(11,820)	(11,539)	(11,539)	(33)	(11,572)
Others										
Tax refund for previous years	-	-	-	-	-	284	284	284	-	284
As at 30 June 2021 (unaudited)	873,370	1,083,997	108,587	(231,194)	(26,555)	(2,006,879)	(1,072,044)	(198,674)	2,157	(196,517)



Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2020

	Equity attributable to equity holders of the Company									
	Reserves							Sub-total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Surplus reserve	Investment revaluation reserve (non-recycling)	Exchange reserve	Accumulated losses	Total reserves			
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
As at 1 January 2020	873,370	1,082,848	108,587	(35,096)	(26,979)	(2,059,320)	(929,960)	(56,590)	5,483	(51,107)
Loss for the period	-	-	-	-	-	(11,818)	(11,818)	(11,818)	(55)	(11,873)
Other comprehensive income										
Exchange differences on translation of foreign operations	-	-	-	-	111	-	111	111	-	111
Total other comprehensive income for the period	-	-	-	-	111	-	111	111		111
Total comprehensive loss for the period	-	-	-	-	111	(11,818)	(11,707)	(11,707)	(56)	(11,762)
Transactions with equity holders of the Company										
Contributions and distributions:										
Shareholders' contributions	-	529	-	-	-	-	529	529	-	529
As at 30 June 2020 (unaudited)	873,370	1,083,377	108,587	(35,096)	(26,868)	(2,071,138)	(941,138)	(67,768)	5,428	(62,340)

**Condensed Consolidated Statement of Changes in Equity (Continued)**

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Cash generated from (used in) operations	(7,394)	4,885
Income taxes paid	(1,441)	(1,025)
Interest received	-	992
Net cash generated from (used in) operating activities	(8,835)	4,852
Purchase of property, plant and equipment	-	-
Cash paid for investments	-	(48,436)
Proceeds from disposal of South Plant	4,000	-
Net cash used in investing activities	4,000	(48,436)
FINANCING ACTIVITIES		
Repayment of bank and other loans	-	(10,500)
Interest paid	-	(226)
Net cash used in financing activities	-	(10,726)
Net decrease in cash and cash equivalents	(4,835)	(54,310)
Cash and cash equivalents at the beginning of the reporting period	8,536	58,954
Effect on exchange rate changes on cash and cash equivalents	8	34
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	3,709	4,678



Chapter 10 FINANCIAL STATEMENTS (PREPARED UNDER THE PRC GAAP)

I. AUDIT REPORT

Has the interim report been audited?

Yes ☒ No

The interim report of the Company has not been audited.

II. FINANCIAL STATEMENTS

Unit in the financial statements of the notes to financial statements: RMB



1 Consolidated Balance Sheet

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Current Assets:		
Cash at bank and on hand	7,957,501.63	12,912,725.07
Balances with clearing companies		
Lending to Banks and Other Financial Institutions		
Trading financial assets		
Financial assets at fair value through current profit or loss		
Derivative financial assets		
Notes Receivable	115,150.80	
Accounts Receivable	37,529,375.33	32,293,932.13
Receivables Financing		
Prepayment	688,832.48	997,454.96
Premium Receivable		
Amounts receivable from reinsurers		
Provision for reinsurance contracts receivable		
Other Receivables	17,286,000.02	19,230,044.90
Incl: Interests Receivable		
Dividends Receivable		
Buying back the sale of financial assets		
Inventory	12,607,013.03	16,710,311.95



1 Consolidated Balance Sheet (Continued)

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Contractual assets		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	854,194.04	1,958,726.08
Total current assets	77,038,067.33	84,103,195.09
Non-current Assets:		
Loans and advances		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments		
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed Assets	43,221,747.71	44,911,967.97
Construction in progress		
Productive biological assets		
Oil and gas assets		

**1 Consolidated Balance Sheet (Continued)**

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Right-of-use assets	11,773,883.20	16,432,367.74
Intangible Assets	11,946,274.93	12,078,277.99
Research & development expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	66,941,905.84	73,422,613.70
Total Assets	143,979,973.17	157,525,808.79



1 Consolidated Balance Sheet (Continued)

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Current Liabilities:		
Short-term Borrowings		
Borrowing from the Central Bank		
Placements from banks and other financial institutions		
Trading financial liabilities		
Financial liabilities at fair value through current profit or loss		
Derivative financial liabilities		
Notes Payable		
Accounts Payable	19,928,282.24	21,344,941.14
Advances from customers		
Contractual liabilities	4,895,854.19	6,624,272.90
Financial assets sold under agreement to repurchase		
Customer deposits and deposits due to banks and other financial institutions		
Amounts of securities trading as agent		
Amounts of securities underwriting as agent		
Employee remuneration payable	5,225,899.88	4,753,756.28
Taxes Payable	3,766,399.95	4,744,439.95
Other Payables	177,158,484.07	181,225,923.07

**1 Consolidated Balance Sheet (Continued)**

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Incl: Interests Payable		
Dividends Payable		
Handling charge and commission payable		
Amounts due to reinsurers		
Liabilities held for sale		
Non-current liabilities due within 1 year	8,547,987.57	10,953,560.25
Other current Liabilities		
Total current liabilities	219,522,907.90	229,646,893.59
Non-current liabilities:		
Provision for insurance contracts		
Long-term Borrowings		
Bonds Payable		
Incl: Preferred shares		
Perpetual bonds		
Lease liabilities	11,876,867.44	11,582,700.60
Long-term Payables		
Long-term employee remuneration payable		
Estimated Liabilities	72,099,690.00	72,099,690.00
Deferred income	36,997,685.76	29,425,846.58
Deferred tax liabilities		
Other Non-Current Liabilities		
Total Non-Current Liabilities	120,974,243.20	113,108,237.18
Total Liabilities	340,497,151.10	342,755,130.77



1 Consolidated Balance Sheet (Continued)

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Preferred shares		
Perpetual bonds		
Capital reserve	1,083,997,337.88	1,083,997,337.88
Less: Treasury Stocks		
Other Comprehensive Income	-257,750,051.37	-258,031,515.00
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40
Provision for general risk		
Retained profits	-2,006,878,787.06	-1,995,343,315.68
Total equity attributable to the owners of the Parent Company	-198,674,376.15	-187,420,368.40
Minority interests	2,157,198.22	2,191,046.42
Total shareholders' equity	-196,517,177.93	-185,229,321.98
Total liabilities and shareholders' equity	143,979,973.17	157,525,808.79

Legal representative:

Zhu Jie

Chief Financial Officer:

Shang Duoxu

Chief Accounting Officer:

Jin Muhan



2 Balance Sheet of Parent Company

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Current Assets:		
Cash at bank and on hand	5.68	1,683.02
Trading financial assets		
Financial assets at fair value through current profit or loss		
Derivative financial assets		
Notes Receivable		
Accounts Receivable		
Receivables Financing		
Prepayment		
Other Receivables	249,347,892.08	251,656,394.15
Incl: Interests Receivable		
Dividends Receivable		
Inventory		
Contractual assets		
Assets held for sale		
Non-current asset due within 1 year		
Other current asset	609,433.66	581,337.61
Total current assets	249,957,331.42	252,239,414.78



2 Balance Sheet of Parent Company (Continued)

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Non-current Assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	56,436,473.03	56,436,473.03
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed Assets	21,192.10	22,737.04
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible Assets		
Research & development expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		

**2 Balance Sheet of Parent Company (Continued)**

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Total non-current assets	56,457,665.13	56,459,210.07
Total Assets	306,414,996.55	308,698,624.85
Current Liabilities:		
Short-term Borrowings		
Trading financial liabilities		
Financial liabilities at fair value through current profit or loss		
Derivative financial liabilities		
Notes Payable		
Accounts Payable		
Advances from customers		
Contractual liabilities	581,743.59	581,743.59
Employee remuneration payable	2,847,031.94	1,860,964.74
Taxes Payable	221,741.64	219,991.85
Other Payables	158,949,917.21	158,816,321.38
Incl: Interests Payable		
Dividends Payable		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current Liabilities		
Total current liabilities	162,600,434.38	161,479,021.56



2 Balance Sheet of Parent Company (Continued)

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Non-current liabilities:		
Long-term Borrowings		
Bonds Payable		
Incl: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term Payables		
Long-term employee remuneration payable		
Estimated Liabilities	72,099,690.00	72,099,690.00
Deferred income		
Deferred tax liabilities		
Other Non-Current Liabilities		
Total Non-Current Liabilities	72,099,690.00	72,099,690.00
Total Liabilities	234,700,124.38	233,578,711.56

**2 Balance Sheet of Parent Company (Continued)**

Prepared by: Northeast Electric Development Co., Ltd.

30 June 2021

Unit: RMB

Items	30 June 2021	31 December 2020
Shareholders' Equity:		
Share Capital	873,370,000.00	873,370,000.00
Other Equity Instruments		
Incl: Preferred shares		
Perpetual bonds		
Capital reserve	996,869,700.23	996,869,700.23
Less: Treasury Stocks		
Other Comprehensive Income		
Special Reserve		
Surplus Reserve	108,587,124.40	108,587,124.40
Retained profits	-1,907,111,952.46	-1,903,706,911.34
Total shareholders' equity	71,714,872.17	75,119,913.29
Total liabilities and shareholders' equity	306,414,996.55	308,698,624.85



3 Consolidated Income Statement of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Total Operating Revenue	28,446,337.20	37,838,750.59
Incl.: Operating income	28,446,337.20	37,838,750.59
Interest income		
Earned premium		
Handling charges and commission income		
II. Total Operating Cost	41,199,321.75	51,178,021.60
Incl.: Operating cost	19,329,133.16	26,403,071.53
Interest expenses		
Handling charges and commission expense		
Surrenders		
Net compensation payout		
Net provision for insurance contracts		
Expenditures for insurance policy dividend		
Reinsurance cost		
Taxes & Surcharges	323,236.56	440,750.91
Selling expenses	10,642,743.98	14,515,293.80
Administrative expenses	9,650,603.99	9,990,199.47
R&D expenses	728,861.03	

**3 Consolidated Income Statement of the Reporting Period (Continued)**

Unit: RMB

Items	Amount for the current period	Amount for the previous period
Finance expenses	524,743.03	-171,294.11
Incl: Interest expenses	493,915.35	824,460.43
Interest Income	6,951.90	1,031,574.82
Plus: Other income	889,792.14	668,955.66
Investment income (loss is indicated by “-”)		
Incl: Investment income from associates and joint ventures		
Derecognition of Income from financial assets at amortised cost (loss indicated by “-”)		
Exchange gains (loss indicated by “-”)		
Net gains from hedging exposure (loss is indicated by “-”)		
Gains from change in fair value (loss is indicated by “-”)		
Credit impairment loss (loss indicated by “-”)		
Assets impairment loss (loss indicated by “-”)		
Gains from asset disposal (loss is indicated by “-”)		
III. Operational Profit (Loss is indicated as “-”)	-11,863,192.41	-12,670,315.35
Plus: Non-operating income	10,262.03	1,078,350.37
Less: Non-operating expenses	622.85	2,017.55
IV. Total Profit (Total loss is indicated as “-”)	-11,853,553.23	-11,593,982.53
Less: Income tax expenses		280,256.09



3 Consolidated Income Statement of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
V. Net Profit (Net loss is indicated as “-”)	-11,853,553.23	-11,874,238.62
(I) Classification by operating continuity		
1.Net profit from continuing operations (net loss is indicated by “-”)	-11,853,553.23	-11,874,238.62
2.Net profit from discontinued operations (net loss is indicated by “-”)		
(II) Classification by ownership		
1.Net profit attributable to owners of the Parent Company	-11,819,705.03	-11,818,431.23
2.Minority interests	-33,848.20	-55,807.39
VI. Net Other Comprehensive Income after tax	281,463.63	111,614.78
Other net comprehensive income after tax attributable to owners of the Parent Company	281,463.63	111,614.78
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Change in fair value of the Enterprise's own credit risk		
5. Others		



3 Consolidated Income Statement of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
(II) Other comprehensive income that will be re-classified into profit or loss	281,463.63	111,614.78
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange rate differences of financial statements denominated in foreign currency	281,463.63	111,614.78
7. Others		
Other net comprehensive income after tax attributable to minority interests		
VII. Total Comprehensive Income	-11,572,089.60	-11,762,623.84
Total Comprehensive Income Attributable to the owners of the Parent Company	-11,572,089.60	-11,706,816.45
Total Comprehensive Income Attributable to the minority Interests		-55,807.39
VIII. Earnings per share		
(I) Basic earnings per share	-0.0135	-0.0135
(II) Diluted earnings per share	-0.0135	-0.0135



4 Income Statement of Parent Company of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Operating Income	0.00	0.00
Less: Operating cost	0.00	0.00
Taxes & Surcharges		
Selling expenses		
Administrative expenses	3,403,447.33	2,478,916.69
R&D expenses		
Finance expenses	1,680.26	3,552.50
Incl: Interest expenses		
Interest Income	11.67	0.44
Plus: Other income		
Investment income (loss is indicated by “-”)		
Incl: Investment income from associates and joint ventures		
Derecognition of Income from financial assets at amortised cost (loss indicated by “-”)		
Net gains from hedging exposure (loss is indicated by “-”)		
Gains from changes in fair value (loss is indicated by “-”)		
Credit impairment loss (loss indicated by “-”)		
Assets impairment loss (loss indicated by “-”)		
Gains from asset disposal (loss is indicated by “-”)		

**4 Income Statement of Parent Company of the Reporting Period (Continued)**

Unit: RMB

Items	Amount for the current period	Amount for the previous period
II. Operational Profit (Loss is indicated as “-”)	-3,405,127.59	-2,482,469.19
Plus: Non-operating income		0.07
Less: Non-operating expenses	113.53	
III. Total Profit (Total loss is indicated as “-”)	-3,405,241.12	-2,482,469.12
Less: Income tax expenses		
IV. Net Profit (Net loss is indicated as “-”)	-3,405,241.12	-2,482,469.12
(I) Net profit from continuing operations (net loss is indicated by “-”)	-3,405,241.12	-2,482,469.12
(II) Net profit from discontinued operations (net loss is indicated by “-”)		
V. Net Other Comprehensive Income after tax		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other equity instruments investment		
4. Change in fair value of the Enterprise's own credit risk		
5. Others		



4 Income Statement of Parent Company of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
(II) Other comprehensive income that will be re-classified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging		
6. Exchange rate differences of financial statements denominated in foreign currency		
7. Others		
VI. Total Comprehensive Income	-3,405,241.12	-2,482,469.12
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		



5 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash from sale of goods and rendering of services	24,060,988.70	34,140,434.98
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in policyholder deposits and investment funds		992,292.57
Cash received as interests, handling charges and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in funds of repurchase business		
Net cash received from securities trading agency services		
Tax rebates received	133,085.13	
Cash received from other operating activities	5,712,670.15	83,322,917.49
Sub-total of cash inflows from operating activities	29,906,743.98	118,455,645.04



5 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
Cash paid to goods purchased and labor service received	19,732,466.20	25,687,390.51
Net increase in loans and advances to customers		
Net increase in deposits with central bank and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interest, handling charges and commissions		5,815.57
Cash paid for policyholder dividend		
Cash paid to and for employees	9,659,002.04	8,625,644.27
Payment of various taxes	1,440,956.48	1,024,700.09
Cash paid for other operating activities	7,909,706.90	21,409,395.47
Sub-total of cash outflows for operating activities	38,742,131.62	56,752,945.91
Net Cash Flow from operating activities	-8,835,387.64	61,702,699.13
II. Cash flow from investing activities		
Cash received upon disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,000,000.00	
Net cash received upon disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities	4,000,000.00	



5 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		48,435,719.34
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other Investing activities		
Sub-total of cash outflows from investing activities		48,435,719.34
Net Cash Flow from investing activities	4,000,000.00	-48,435,719.34
III. Cash flow from financing activities		
Cash received from absorbing investment		
Incl: cash received by subsidiaries from minority shareholders		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayments of debts		10,500,000.00
Cash paid for dividends, profit distributions or interest payment		225,709.27



5 Consolidated Cash Flow Statement from Beginning of the Year to End of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
Incl: dividend and profit paid to minority shareholders by subsidiaries		
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities		10,725,709.27
Net Cash Flow from financing activities		-10,725,709.27
IV. Effect of foreign exchange rate changes on cash and cash equivalents	8,557.26	34,028.92
V. Net increase of cash and cash equivalent	-4,826,830.38	2,575,299.44
Plus: Balance of cash and cash equivalents at the beginning of the period	8,535,909.71	74,527,767.65
VI. Balance of cash and cash equivalents at the end of the period	3,709,079.33	77,103,067.09



6 Cash Flow Statement of Parent Company from Beginning of the Year to End of the Reporting Period

Unit: RMB

Items	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities		
Cash from sale of goods and rendering of services		
Tax rebates received		
Cash received from other operating activities	2,682,290.28	3,020,491.01
Sub-total of cash inflows from operating activities	2,682,290.28	3,020,491.01
Cash paid to goods Purchased and labor service received		
Cash paid to and for employees	1,889,853.30	2,009,400.18
Payment of various taxes		
Cash paid for other operating activities	794,114.32	1,007,819.42
Sub-total of cash outflows for operating activities	2,683,967.62	3,017,219.60
Net Cash Flow from operating activities	-1,677.34	3,271.41



6 Cash Flow Statement of Parent Company from Beginning of the Year to End of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
II. Cash flow from investing activities		
Cash received upon disposal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received upon disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for investment		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities		
Net Cash Flow from investing activities		



6 Cash Flow Statement of Parent Company from Beginning of the Year to End of the Reporting Period (Continued)

Unit: RMB

Items	Amount for the current period	Amount for the previous period
III. Cash flow from financing activities		
Cash received from absorbing investment		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for repayments of debts		
Cash paid for dividends, profit distributions or interest payment		
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities		
Net Cash Flow from financing activities		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase of cash and cash equivalent	-1,677.34	3,271.41
Plus: Balance of cash and cash equivalents at the beginning of the period	1,683.02	893.51
VI. Balance of cash and cash equivalents at the end of the period	5.68	4,164.92



7 Consolidated Statement of Changes in Shareholders' Equity

Amount for current period

Unit: RMB

The first half of 2021													
Equity attributable to shareholders of the parent													
Items	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others	Subtotal
		Preferred shares	Sustainable debts	Others									
I. Closing balance of the preceding year	873,370,000.00				1,083,997,337.88		-258,031,515.00		108,587,124.40		-1,995,343,315.68		-187,420,368.40
Add: Changes of accounting policies													
Correction of prior period errors													
Business combination under common control													
Others													
II. Opening balance of the current year	873,370,000.00				1,083,997,337.88		-258,031,515.00		108,587,124.40		-1,995,343,315.68		-187,420,368.40
III. Changes for the period (decrease presented by "-" prefix)							281,463.63				-11,535,471.38		-11,254,007.75
A. Total comprehensive income							281,463.63				-11,819,705.03		-11,538,241.40
B. Shareholders' contribution and capital decline													
1. Contribution by shareholders of ordinary shares													
2. Contribution by holders of other equity instruments													
3. Share-based payments directly recognised in equity													
4. Others													



7 Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount for current period (Continued)

Unit: RMB

The first half of 2021															
Items	Equity attributable to shareholders of the parent												Minority interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others			Subtotal
		Preferred shares	Sustainable debts	Others											
C. Profit distribution												284,233.65	284,233.65	284,233.65	
1. Recognition of surplus reserves															
2. Recognition of provision for general risks															
3. Distribution to shareholders															
4. Others												284,233.65	284,233.65	284,233.65	
D. Movements within equity															
1. Capital reserves transferred to capital (or share capital)															
2. Surplus reserves transferred to capital (or share capital)															
3. Loss set-off by surplus reserves															
4. Set the benefit plan charge amount to carry forward retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Others															



7 Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount for current period (Continued)

Unit: RMB

Items	The first half of 2021														
	Equity attributable to shareholders of the parent														
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others	Subtotal	Minority interests	Total shareholders' equity
		Preferred shares	Sustainable debts	Others											
E. Designated reserves															
1. Recognition during the current period															
2. Withdrawal during the current period															
F. Others															
IV. Closing balance of the current period	873,370,000.00				1,083,997,337.88		-257,750,051.37		108,587,124.40		-2,006,878,787.06		-198,674,376.15	2,157,198.22	-196,517,177.93



7 Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount for last period

Unit: RMB

The first half of 2020															
Equity attributable to equity holders of the Company															
Items	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others	Subtotal	Minority interests	Total shareholders' equity
		Preferred shares	Sustainable debts	Others											
I. Closing balance of the preceding year	873,370,000.00				1,082,848,805.11	-62,076,254.02			108,587,124.40		-2,053,319,937.47		-56,590,261.98	5,483,407.13	-51,106,854.85
Add: Changes of accounting policies															
Correction of prior period errors															
Business combination under common control															
Others															
II. Opening balance of the current year	873,370,000.00				1,082,848,805.11	-62,076,254.02			108,587,124.40		-2,053,319,937.47		-56,590,261.98	5,483,407.13	-51,106,854.85
III. Changes for the period (decrease presented by "-" prefix)					528,612.48	111,614.78					-11,818,431.23		-11,178,203.97	-55,807.39	-11,234,011.36
A. Total comprehensive income						111,614.78					-11,818,431.23		-11,706,816.45	-55,807.39	-11,762,623.84
B. Shareholders' contribution and capital decline					528,612.48								528,612.48		528,612.48
1. Contribution by shareholders of ordinary shares															
2. Contribution by holders of other equity instruments															
3. Share-based payments directly recognised in equity															
4. Others					528,612.48								528,612.48		528,612.48



7 Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount for last period (Continued)

Unit: RMB

The first half of 2020															
Items	Equity attributable to equity holders of the Company												Minority interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others			Subtotal
		Preferred shares	Sustainable debts	Others											
C. Profit distribution															
1. Recognition of surplus reserves															
2. Recognition of provision for general risks															
3. Distribution to shareholders															
4. Others															
D. Movements within equity															
1. Capital reserves transferred to capital (or share capital)															
2. Surplus reserves transferred to capital (or share capital)															
3. Loss set-off by surplus reserves															
4. Set the benefit plan change amount to carry forward retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Others															



7 Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount for last period (Continued)

Unit: RMB

The first half of 2020															
Items	Equity attributable to equity holders of the Company														
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Provision for general risks	Retained earnings	Others	Subtotal	Minority interests	Total shareholders' equity
		Preferred shares	Sustainable debts	Others											
E. Designated reserves															
1. Recognition during the current period															
2. Withdrawal during the current period															
F. Others															
IV. Closing balance of the current period	873,370,000.00				1,083,377,417.59		-61,954,639.24		108,537,124.40		-2,071,138,368.70		-67,768,465.95	5,427,599.74	-62,340,866.21



8 Statement of Changes in Shareholders' Equity of the Parent

Amount for current period (Continued)

Unit: RMB

The first half of 2021												
Item	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
I. Closing balance of the preceding year	873,370,000.00				996,869,700.23				108,587,124.40	-1,903,706,911.34		75,119,913.29
Add: Changes of accounting policies												
Correction of prior period errors												
Others												
II. Opening balance of the current year	873,370,000.00				996,869,700.23				108,587,124.40	-1,903,706,911.34		75,119,913.29
III. Changes for the period (decrease presented by “-” prefix)										-3,405,041.12		-3,405,041.12
A. Total comprehensive income												
B. Shareholders' contribution and capital decline										-3,405,041.12		-3,405,041.12
1. Contribution by shareholders of ordinary shares												
2. Contribution by holders of other equity instruments												
3. Share-based payments directly recognised in equity												
4. Others												



8 Statement of Changes in Shareholders' Equity of the Parent (Continued)

Amount for current period (Continued)

Unit: RMB

Item	The first half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
C. Profit distribution												
1. Recognition of surplus reserves												
2. Distribution to shareholders												
3. Others												
D. Movements within equity												
1. Capital reserves transferred to capital (or share capital)												
2. Surplus reserves transferred to capital (or share capital)												
3. Loss set-off by surplus reserves												
4. Set the benefit plan change amount to carry forward retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Others												

Unit: RMB

Item	The first half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
E. Designated reserves												
1. Recognition during the current period												
2. Withdrawal during the current period												
F. Others												
IV. Closing balance of the current period	873,370,000.00				995,869,700.23				108,587,124.40	-1,907,111,952.46		71,714,872.17



8 Statement of Changes in Shareholders' Equity of the Parent (Continued)

Amount for last period (Continued)

Unit: RMB

The first half of 2020												
Item	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
I. Closing balance of the preceding year	873,370,000.00				995,721,167.46				108,587,124.40	-2,073,438,269.53		-95,759,977.67
Add: Changes of accounting policies												
Correction of prior period errors												
Others												
II. Opening balance of the current year	873,370,000.00				995,721,167.46				108,587,124.40	-2,073,438,269.53		-95,759,977.67
III. Changes for the period (decrease presented by "-" prefix)					528,612.48					-2,482,469.12		-1,953,856.64
A. Total comprehensive income										-2,482,469.12		-2,482,469.12
B. Shareholders' contribution and capital decline					528,612.48							528,612.48
1. Contribution by shareholders of ordinary shares												
2. Contribution by holders of other equity instruments												
3. Share-based payments directly recognised in equity												
4. Others					528,612.48							528,612.48



8 Statement of Changes in Shareholders' Equity of the Parent of the Parent (Continued)

Amount for last period (Continued)

Unit: RMB

Item	The first half of 2020											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
C. Profit distribution												
1. Recognition of surplus reserves												
2. Distribution to shareholders												
3. Others												
D. Movements within equity												
1. Capital reserves transferred to capital (or share capital)												
2. Surplus reserves transferred to capital (or share capital)												
3. Loss set-off by surplus reserves												
4. Set the benefit plan change amount to carry forward retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Others												



8 Statement of Changes in Shareholders' Equity of the Parent (Continued)

Amount for last period (Continued)

Unit: RMB

The first half of 2020												
Item	Share capital	Other equity instruments			Capital reserve	Less: Treasury stock	Other comprehensive income	Designated reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Sustainable debts	Others								
E. Designated reserves												
1. Recognition during the current period												
2. Withdrawal during the current period												
F. Others												
IV. Closing balance of the current period	873,370,000.00				996,249,779.94				108,587,124.40	-2,075,920,738.65		-97,713,834.31



10.1 Explanation of changes in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year

There is no change in accounting policy, accounting estimates and accounting methods in comparison with the financial report of the previous year.

10.2 Description of retrospective restatement of major accounting errors in the reporting period

There was no retrospective restatement of major accounting errors in the reporting period.

10.3 Description of changes in the coverage of the consolidated statements as compared to the financial report for the previous year

There is no change in the coverage of the consolidated statements as compared to the financial report for the previous year.

10.4 Others

10.4.1 Business distribution

All of the Group's incomes and profits were from the domestic market, so the Group's management considers there is no need to prepare the divisional statement.



10.4.2 Taxation

Main taxation category and tax rate of the Company

Category	Tax Base	Tax Rate
VAT	The taxable income is calculated at the tax rates of 13%, 6%, and the VAT payable is determined by the output VAT net of deductible input VAT of the period.	13%, 6%
Urban construction & maintenance tax	At 7% of the turnover tax actually paid.	7%
Corporate income tax	At 25% and 15% of the taxable income payable.	25%, 15%
Educational surcharge	At 5% of the turnover tax actually paid.	5%

Notes:

- (1) For Northeast Electric Development (Hong Kong) Limited, a wholly-owned subsidiary of the Company registered in HKSAR of the PRC, the profits tax rate is 16.5%.
- (2) Gaocai Technology Co., Ltd. is a wholly-owned subsidiary, registered in the British Virgin Islands. No corporate income tax is imposed on it.
- (3) The company's subsidiary Fuxin Busbar was identified as a high-tech enterprise on September 15, 2020, with a validity period of three years, and the income tax rate for the reporting period is 15%.

10.4.3 Net profit

	The reporting period	The same period of last year
Net profit attributable to shareholders of the parent company (RMB)	-11,819,705.03	-11,818,431.23



10.4.4 Earnings per share

	The reporting period	The same period of last year
Basic earnings per share (RMB/share)	-0.0135	-0.0135
Diluted earnings per share (RMB/share)	-0.0135	-0.0135

10.4.5 Dividends

No dividends were paid or proposed for the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil), and no dividend was proposed from the end of the reporting period.

10.4.6 Share capital

	The reporting period	The same period of last year
Total share capital (RMB)	873,370,000.00	873,370,000.00

10.5 Publication of the interim report on the internet websites of The Stock Exchange of Hong Kong Limited and the Company

All information about the interim report as required by Appendix 16 to the Listing Rules will be published on the Hong Kong Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.nee.com.cn>) in due course.

By order of the Board
Shang Duoxu
 Chairman

Haikou, Hainan Province, the PRC
 30 August 2021

As at the date of this Announcement, the Board comprises of five executive Directors, namely Mr. Shang Duoxu, Mr. Wang Yongfan, Mr. Su Weiguo, Mr. Guo Qianli and Mr. Li Guoqing; and three independent non-executive Directors, namely Mr. Fang Guangrong, Mr. Wang Hongyu and Mr. Li Zhengning.